



STATE OF WISCONSIN EDUCATIONAL APPROVAL BOARD

SENATE BILL 431

TESTIMONY

by David C. Dies, Executive Secretary
Educational Approval Board

Senate Committee on Agriculture and Higher Education

February 10, 2010

Good morning. Madame Chair and members of the committee, my name is David Dies and I am the executive secretary for the state's Educational Approval Board. I am here today to express support for Senate Bill 431.

How many of you have ever heard of Wisconsin International University or Wisconsin State University? What about Heed University or the Holistic Medicine College of Wisconsin? Two of my personal favorites – God's Miracle Bible University and the Agape Love Bible College.

These are just a few examples of the types of non-approved, non-accredited entities that either are operating in Wisconsin or have previously operated in the state. Unfortunately, there is little that can be done to stop these types of operations under current law.

The first two organizations I mentioned are examples of names clearly intended to mislead the public into thinking the entities are somehow affiliated or endorsed by the state. The second two organizations are examples of "diploma mills" or "degree mills" that award credentials for little, if any, academic work. And the last two organizations are "religious entities" that are specifically exempt from EAB oversight and little is known about the type of programs they offer and the academic rigor they require of students.

For those of you who may be unfamiliar with the EAB, it is an independent state agency responsible for protecting Wisconsin students by regulating certain for-profit and non-profit schools, colleges and universities. I should point out that our oversight does not include the UW and technical college system institutions; nor does it include non-profit institutions incorporated

in the state prior to 1992, such as Marquette University, Lakeland College and Concordia University, and other schools that are members of the Wisconsin Association of Independent Colleges and Universities.

Currently, the EAB oversees 154 institutions serving more than 45,000 (primarily adult) students annually in 800 or so non-degree and degree programs. Literally, the EAB regulates everything from pet grooming to Ph.D.s.

Among the schools offering non-degree programs are the American Institute of Paralegal Studies; Howard Academy for the Metal Arts; the Institute of Dental Assisting; the Milwaukee School of Massage; H & R Block; Radio 1 Broadcasting School; and, the Midwest Truck Driving School.

The programs offered by non-degree schools are very diverse and include such programs as networking technology; pharmacy technician; truck driving; massage therapy; heavy equipment operation; radio broadcasting; taxidermy; insurance; motorcycle maintenance; and, paralegal studies.

Among the degree-granting institutions, which offer everything from associate degrees in accounting to MBAs to doctorates in education, are the University of Phoenix, Bryant and Stratton College, Herzing University, Upper Iowa University, ITT Technical Institute, Globe University, Madison Media Institute, Cappella University and Walden University.

The EAB protects students by requiring schools to meet certain operating and academic standards. For example, we examine the fiscal stability of schools, require schools to hold a surety bond and pay into a student protection fund, review instructor qualifications, require annual student outcomes reporting, conduct periodic site visits, and ensure program curriculum is comparable in content, length and quality to similar programs offered by other institutions.

In the course of performing our regulatory responsibilities, EAB staff occasionally encounter entities with names that are intended to mislead consumers, such as those I cited previously. We also come across "diploma mills" or "degree mills" – essentially bogus operations that make

money by manufacturing and selling false academic credentials. And, from time to time, we encounter situations where individuals claim to hold a credential from a known diploma or degree mill, usually in attempt to get a job or an increase in their salary.

Unfortunately, you seldom hear complaints about “diploma mills” and “degree mills.” Why, you might ask? The only reason “diploma mills” and “degree mills” exist is because there are persons willing to buy them. Those who buy a false academic credential know full-well what they are doing is wrong. And with the proliferation of the Internet, fake degrees are readily available, not just domestically, but increasingly internationally. That is why it is not enough to simply address the “diploma mills” and “degree mills” that manufacture fake credentials. Efforts must target both the supply and the demand.

To its credit, Senate Bill 431 addresses both the supply and demand sides of the diploma mill equation. First, the bill makes it a crime for a person to manufacture or issue a false academic credential. Next, the bill further regulates the supply side by protecting the use of the terms “college,” “university,” “state,” and “Wisconsin” in the name of a (postsecondary) school. For example, only institutions granted accreditation by an accreditor recognized by the U.S. Secretary of Education would be permitted to use the terms “college” or “university.” Lastly, the bill also makes it a crime for a person who knowingly uses or claims to have a false academic credential, thereby addressing the demand side of the equation.

The need for this bill seems self-evident. The states of Washington, Oregon, Nevada, North Dakota, South Dakota, Missouri, Texas, Illinois, Maine, New Jersey and Virginia all have some kind of law in place now, and numerous others are considering legislation.

The EAB echoes U.S. Congressman Timothy Bishop (D-NY), who just last week proposed federal legislation to crack down on such abuses, in saying, “[w]e have an obligation to see to it that people have confidence in our institutions...and the credentials they provide.” Moreover, we believe the terms “college” and “university” should be limited to credible degree-granting institutions, and this bill would give the EAB the statutory authority to enforce that standard.

I would be happy to answer any questions you may have.



Bill Position
Board of Regents - University of Wisconsin System
2009-10 Legislative Session

Assembly Bill 624 / Senate Bill 431
Diploma Mills

LEGISLATION

(Hixson/Risser) This bill would prohibit any school from using the term "college" or "university" in its name unless the school provides an educational program for which it awards an associate or higher degree and the school has accreditation recognized by the U.S. secretary of education; has the foreign equivalent of that accreditation, as determined by the Wisconsin Educational Approval Board (EAB); or has accreditation recognized by the Council for Higher Education Accreditation.

The bill also prohibits any school from using the term "state" or "Wisconsin" in its name if the use of that term misleads the public into falsely believing that the school is affiliated with the University of Wisconsin System, the technical college system, or the state.

If a school uses any of these terms in violation of this bill, it may be subject to a penalty. Additionally, this bill makes it a crime to knowingly issue or manufacture a false academic credential, or to knowingly use a false academic credential or falsely claim to have a legitimate academic credential.

UW SYSTEM POSITION

SUPPORT: This legislation would protect employers and students, and preserve the integrity of degrees granted by the UW System and other academic institutions in the state.

The restrictions imposed by this bill protect consumers and students by ensuring that an organization which identifies itself as an institution of higher education is an accredited college or university and by providing a cause of action against fraudulent institutions.

The bill also protects employers by making academic credentials more easily verifiable and by permitting them to deny employment to, or terminate, individuals who have been convicted of knowingly using a false academic credential or falsely claiming to have a legitimate academic credential.

Additionally, this bill preserves the integrity of the state's public university system by prohibiting a school from misleading the public into falsely believing that it is affiliated with the UW System or the state.



Kim Hixson

STATE REPRESENTATIVE • WISCONSIN LEGISLATURE • 43RD ASSEMBLY DISTRICT
CHAIRMAN, COMMITTEE ON COLLEGES AND UNIVERSITIES
Serving parts of Rock, Walworth, Jefferson and Dane Counties

Good Morning, Chairman Vinehout and members of the Senate Committee on Higher Education and Agriculture, it is a pleasure to speak with you about Senate Bill 431.

As a professor and a legislator, protecting the quality of education in the State of Wisconsin is an issue that is very close to my heart. For all my 20-plus years in higher education, I have always been impressed with Wisconsin's tradition of providing world-class educational institutions. It is my hope that by working together on this legislation, we can ensure that future generations are able to benefit from the great tradition of quality education we have here in our state.

SB-431 gives law enforcement the tools to prosecute cyber-store fronts that sell "authentic-looking" degree certificates. While these degree mills purport to be from accredited institutions, in reality these "schools" offer no academic instruction and simply print meaningless pieces of paper that reflect no indication of merit or credibility of the person listed. Some of these institutions will even lie to employers checking into a prospective employee's academic record.

Consider some of the examples of positions that have been awarded to people in part as a result of these bogus degrees – a quality-control manager for a nuclear power plant, a U.S. General working in the Pentagon, a scientist at NASA, and a safety engineer at a tire company. All of these positions require extensive training and instruction. But according to reports from reputable news organizations and information from an investigation by the General Accountability Office, you may be surprised to learn that individuals were able to fraudulently obtain these highly-touted positions with the help of bogus degrees from online degree mills.

I drafted this legislation to protect employers, academic institutions and consumers. I believe that employers should have the right to know that academic institutions listed on the resumes of prospective employees are credible. The many fine public and private academic institutions in the State of Wisconsin should be protected from fly-by-night organizations that devalue the quality of an academic degree. Finally, unsuspecting consumers should be protected from being duped into paying for a meaningless degree.

The way this bill works is that it prohibits an organization from using the terms "college," "university," "Wisconsin," and "state" in its name unless the school provides an educational program for which it awards an associate or higher degree and the school has accreditation recognized by the U.S. Secretary of Education; has the foreign equivalent of that accreditation, as determined by the Educational Approval Board (EAB); or has accreditation recognized by the Council for Higher Education Accreditation.

This legislation would give the state agencies like the EAB, which regulates entities that offer many of the industry-specific degrees and certificates in Wisconsin, as well as the Department of Justice, much greater leverage in regulating these entities.

Numerous other states have passed similar legislation, and there is currently a bill being considered in Congress. Wisconsin must pass this legislation as a deterrent for proprietors of these degree mill establishing operations here. The hope is that by passing this legislation we can tell the operators of these establishments, "Not here."

It is my hope that with this legislation passed into law, we can ensure that state authorities have legal leverage to stop these operations from setting up here in Wisconsin.

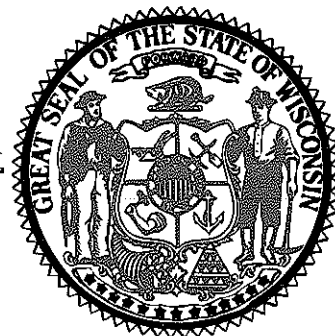
Finally I wanted to you know that Senator Risser and I have been working with the Educational Approval Board and the Wisconsin Association of Independent Colleges and Universities on an amendment, which will address WAICU's concerns. While this amendment is in process of being drafted, I want members to know that I am confident that we will be able to reach a mutually amicable solution on this matter and we will share with members of the committee as soon as we have a draft.

With that, I would be happy to answer any of your questions.

FRED A. RISSE

President

Wisconsin State Senate



Testimony on Senate Bill 431
Senate Committee on Agriculture and Higher Education
Wednesday, February 10, 2010

Senator Vinehout and members of the Committee:

Thank you for holding a hearing today on Senate Bill 431, the Degree Mill Bill. I would also like to thank Representative Hixson for working with me as the lead Assembly sponsor of this measure and author of the Assembly companion bill, AB 624.

There is an increasing problem with the number of "Degree Mills" appearing on the internet. These are operations that award academic degrees and diplomas with substandard or no academic requirements and without recognition by official educational accrediting bodies. Some of these organizations claim accreditation by unapproved accrediting bodies set up for the purpose of providing the appearance of authenticity.

A number of federal investigations have led to the exposure of government officials, educators, law enforcement officers, business professionals, and even medical professionals who were using fraudulent academic credentials. Yet, despite these exposures, there are more degree mills on the internet today than ever before.

Senate Bill 431 responds to this growing problem by providing that anyone who knowingly issues or manufactures a false

academic credential is guilty of a Class A misdemeanor. And anyone who knowingly uses a false academic credential, or who falsely claims to have a legitimate academic credential, may face a penalty of up to \$1,000.

Many of these degree mills use names that could mislead the public into thinking they are legitimate academic institutions. Therefore, Senate Bill 431 also prohibits a school from using the term "college" or "university" in its name unless the school has accreditation recognized by the U.S. secretary of education, the Council for Higher Education Accreditation, or has a foreign equivalent as determined by the Educational Approval Board.

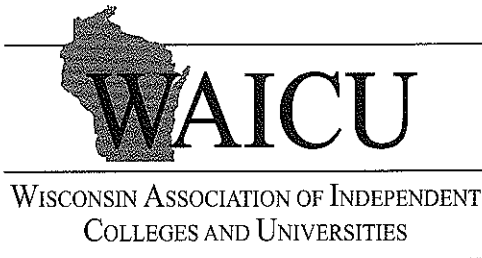
This bill also prohibits a school from using the term "state" or "Wisconsin" in its name if it could mislead the public into believing that the school is affiliated with the University of Wisconsin System, the technical college system, or this state.

If a school uses the term "college," "university," "state," or "Wisconsin" in violation of the bill, the school may face a penalty of up to \$500 for each day of operation without approval. In addition, a student of the school may bring a civil action to recover fees paid to the school, plus costs and other disbursements.

The growing number of fraudulent academic credentials is a real problem, and they reduce the value of legitimate, hard-earned credentials. Senate Bill 431 is a big step forward in defending traditional educational standards against these fraudulent operations, and ensuring that individuals' credentials actually reflect their qualifications.

Thank you for your consideration of this important issue.

ALVERNO COLLEGE
BELOIT COLLEGE
CARDINAL STRITCH UNIVERSITY
CARROLL UNIVERSITY
CARTHAGE COLLEGE
CONCORDIA UNIVERSITY
EDGEWOOD COLLEGE
LAKELAND COLLEGE
LAWRENCE UNIVERSITY
MARIAN UNIVERSITY



MARQUETTE UNIVERSITY
MILWAUKEE INSTITUTE OF ART & DESIGN
MILWAUKEE SCHOOL OF ENGINEERING
MOUNT MARY COLLEGE
NORTHLAND COLLEGE
RIPON COLLEGE
ST. NORBERT COLLEGE
SILVER LAKE COLLEGE
VITERBO UNIVERSITY
WISCONSIN LUTHERAN COLLEGE

TESTIMONY
on
2009 Senate Bill 431

By
Dr. Rolf Wegenke, President
Wisconsin Association of Independent Colleges and Universities

Senate Committee on Agriculture and Higher Education

February 10, 2010

Chairperson Vinehout and members of the committee, my name is Rolf Wegenke. I am the president of the Wisconsin Association of Independent Colleges and Universities, or WAICU, representing the 20 private colleges and universities in Wisconsin and their more than 60,000 students.

I appreciate this opportunity to testify on Senate Bill 431. Each year, our colleges and universities are seeing more incidents involving false academic credentials.

Our colleges report incidents occurring on a number of fronts. One is the presentation of false academic credentials by transfer students. If a credential appears to be from an institution that seems suspect, the college may consult a U.S. Department of Education online database of accredited postsecondary institutions.

Other incidents we are aware of include individuals creating a false credential or diploma to appear as if a degree were awarded by one of our colleges. This does not appear to be occurring through any kind of organized effort, but several of our colleges have reported becoming aware of this as a result of inquiries from employers or other institutions that have questioned the authenticity of a credential.

In any event, those of us among what the bill defines as the "authorized institutions of higher education" have an interest in making sure that the credibility of the academic credentials issued by our institutions are not called into question by unscrupulous practices. The penalties and consumer protections included in the bill should a long way to providing reassurances that

We have already had discussions with Senator Risser, and with Representative Hixson, the co-sponsor in the Assembly, concerning an amendment to the bill. We are asking committee members to support an amendment to clarify that the definition of a "school" in ch. 38 as affected by the bill continues to exclude WAICU members, and schools supported primarily by taxes, that is, the UW and technical colleges.

The second aspect of this amendment would clarify that any WAICU member that uses the word "Wisconsin" in its name as of the effective date of the bill would not be subject to the new prohibition against a school from using the term "state" or "Wisconsin" in its name if the use of that term operates to mislead the public into believing that the school is affiliated with the University of Wisconsin System.